

Message Text

MRN: 1973SAN JO003040 SEGMENT NUMBER: 000001 ERROR READING TEXT
INDEX
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73-62
ACTION H-03

INFO OCT-01 SS-07 ADP-00 ARA-10 NSC-06 RSR-01 RSC-01 /029 W
----- 076498
R 281715Z ZFG AUG 73
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 4926
INFO AMEMBASSY PANAMA
AMCONSUL NASSAU

C O N F I D E N T I A L SECTION 2 OF 2 SAN JOSE 3040

LIMDIS

5. AS REGARDS VESCO'S OPERATIONS, BLUM
CONCLUDED THAT A) VESCO PROBABLY HAS LESS
MONEY ACTUALLY INVESTED IN COSTA RICA THAN
RUMORED, PROBABLY NO MORE THAN \$20 TO \$25
MILLION; B) HE PROBABLY DOES NOT INTEND TO
INVEST HEAVILY HERE, BUT RATHER USE WHAT HE
HAS FOR LEVERAGE TO MAXIMIZE HIS INFLUENCE
AND PROTECT HIS OPERATIONS BASE; C) WHILE
HE MAY LOCATE HIS FAMILY HERE, HE WILL PROBABLY
RETAIN THE BAHAMAS AS HIS MAIN OPERATIONAL
SITE SINCE HE HAS FAR GREATER INFLUENCE AND
EVEN CONTROL WITH THE BAHAMANIAN GOVERNMENT
THAN IN COSTA RICA (ONE SOURCE TOLD HIM VESCO
TALKS TO PINDLING AS IF THE LATTER WERE HIS
SECRETARY); D) VESCO WILL PROBABLY MAINTAIN
A LOW PROFILE IN COSTA RICA UNTIL AFTER THE
ELECTION, AND MAY EVEN SPEND MOST OF HIS
TIME OUTSIDE THE COUNTRY; E) FIGUERES ET AL
THINK THEY CAN CONTROL VESCO AND THAT THE
LATTER CAN NEVER MAKE COSTA RICA ANOTHER
BAHAMAS. (F) NEVERTHELESS, COSTA RICAN
INSTITUTIONS CAN PROBABLY NOT COPE WITH THE
KIND OF MONEY AND TACTICS VESCO CAN BRING TO
BEAR HERE, AND THE CORRUPTING EFFECT ON
THIS SOCIETY IS LIKELY TO BE GREAT IF HE
SETTLES IN.
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6. IN DISCUSSIONS WITH EMBASSY OFFICERS, BLUM INDICATED THAT US RELATIONS WITH ANY DEVELOPING NATION THAT SUCCUMBED TO THE TEMPTATION TO PROVIDE A BASE FOR OFF-SHORE OPERATIONS WAS BOUND TO BECOME INCREASINGLY AWKWARD. INSO FAR AS COSTA RICA WAS CONCERNED HE THOUGHT ANYTHING THAT KEPT VESCO FROM BECOMING LEGITIMIZED AND EXONERATED WOULD HELP US-COSTA RICAN RELATIONS. HE NOTED A GROWING UNDERCURRENT OF CONCERN WITHIN THE PLN ABOUT THE SIGNIFICANCE OF VESCO, AND WITHIN LOCAL FINANCIAL INTERESTS ABOUT VESCO'S IMPACT ON THE INTERNATIONAL IMAGE OF COSTA

RICA. HE INDICATED THAT THE COMMITTEE MAY HOLD HEARINGS ON THE GENERAL SUBJECT, INCLUDING VESCO.

7. THROUGHOUT HIS VISIT, MR. BLUM WAS VERY CONSCIOUS OF THE SENSITIVITIES FACING THE EMBASSY ON THE VESCO ISSUE, AND WAS MOST COOPERATIVE WITH US. HE CONSULTED EXTENSIVELY WITH THE AMBASSADOR AT VARIOUS POINTS AND, ON A RUNNING BASIS, WITH BOTH THE ECONOMIC AND POLITICAL SECTION CHIEFS. HE SHARED HIS CONCLUSIONS AND INSIGHTS WILLINGLY AND WE FOUND THEM MOST HELPFUL.
VAKY

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*** Current Handling Restrictions *** LIMDIS
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